

Hall Actuarial Associates

Charles G. Hall
F.C.A., M.A.A.A., A.S.A.
Enrolled Actuary

1624 LaSalle Parc Drive
Baton Rouge, La. 70806
(225) 928-7866

September 1, 2007

Board of Trustees
LOUISIANA STATE POLICE
RETIREMENT SYSTEM
3100 Brentwood Drive, Suite B
Baton Rouge, Louisiana 70809

Gentlemen:

This report presents the results of the actuarial valuation of assets and liabilities, as well as funding requirements, for the Louisiana State Police Retirement System as of June 30, 2007.

This report has been prepared in accordance with generally accepted actuarial principles and practices and to the best of my knowledge, fairly reflects the actuarial present value of accrued benefits of the Louisiana State Police Retirement System.

In preparing this valuation, I have relied upon the information provided regarding plan provisions, plan membership, plan assets and other matters as detailed in the exhibits of this report. In particular, I have relied upon the statement of assets as provided by the Fund's external auditors, Hawthorn, Waymouth & Carroll.

The present values shown herein have been calculated on the basis of the actuarial cost method specified in Louisiana Revised Statutes Title 11 Section 22(12). The actuarial assumptions, which have been approved by the Board of Trustees, are appropriate for the purpose of this valuation, are reasonable in the aggregate, and when applied in combination represent my best estimates of the anticipated experience under the plan.

Board of Trustees
September 1, 2007

A brief summary of the more important figures developed in this valuation, with comparable results from previous valuations are as follows:

	<u>June 30, 2007</u>	-----Prior Years-----	
		<u>June 30, 2006</u>	<u>June 30, 2005</u>
I. Membership Census			
1) Retirees	1,146	1,134	1,116
2) Actives	1,003	996	1,003
3) Terminated Vested	23	22	21
4) DROP	32	36	25
II. Annual Benefits	\$ 29,168,340	\$ 26,782,068	\$ 24,861,732
III. Total Payroll	49,763,351	49,255,802	49,289,922
IV. Valuation Assets	428,880,461	379,704,362	278,220,750
V. Investment Yield			
Market Value	16.15%	7.36%	9.01%
5 year avg.	9.76%	5.92%	4.31%
10 year avg.	7.06%	7.42%	8.28%
Actuarial Value	8.63%	13.16%	8.60%
5 year avg.	6.31%	4.93%	3.36%
10 year avg.	7.50%	8.10%	7.94%
DROP Accounts	8.13%	12.66%	8.10%
VI. Experience Account	0	n/a	n/a
VII. Cost to Fund Annual Pension Accruals (Normal Costs)	12,024,456 24.16%	11,919,719 24.20%	12,005,890 24.36%
VIII. Unfunded Actuarial Accrued Liability	158,646,134	166,534,087	238,205,849
IX. Funded Percentage	73.0%	69.5%	53.9%
X. Funding Requirements (Mid Year Payment)			
1) Employee Contribution Rate	8.00%	8.00%	8.00%
2) Employer Rate, plus Premium Tax Allocation (Current Year)	25.9% 1,500,000	32.6% 1,500,000	67.9% 1,500,000
3) Projected Employer Rate, plus Premium Tax Allocation (Next Year)	27.3% 1,500,000	26.2% 1,500,000	70.3% 1,500,000

Funding Requirements measure the cost of benefits in effect on June 30, 2007.

¹ Excludes Money Market DROP Accounts.

Board of Trustees
September 1, 2007

Current Funding

The Actuarial Valuation for the plan year ending June 30, 2007 discloses a decrease in the value of the plan's unfunded actuarial accrued liability due in part to favorable investment experience on an actuarial basis. The dollar funding requirements have increased, and the funding as a percentage of payroll, has increased. It is generally appropriate for the current valuation process to disclose the source and causes of any significant changes in the plan from year to year. Changes that occur are generally the result of changes in actuarial assumptions, gains or losses resulting from actual experience which differs significantly from expected plan experience or some external force such as plan restructuring.

In accordance with Act 165 of the 1992 Legislative Session, beginning with the 1992-1993 plan year, the actuarial cost method was changed from the "Projected Unit Credit" to the "Entry Age Normal" cost method. Changes in actuarial methods, assumptions, benefit changes or plan experience are amortized as a 4.5% increasing annuity. The amortization period is the later of the year 2029 or the amortization period stated in Act 81 of the 1988 Legislative Session.

During the past fiscal year the actuarial accrued liability in excess of assets to pay benefits decreased from 166.5 million to a 158.6 million dollar deficit.

To assist the Board of Trustees in reconciling changes in the unfunded actuarial accrued liability, the following gain/loss analysis is presented as follows:

CHANGE IN UNFUNDED LIABILITY

Unfunded Liability 6/30/2006 \$ 166,534,087

INCREASES

Interest on Unfunded Liability	\$ 12,490,057
COLA granted	8,871,238
Experience Loss	<u>8,439,495</u>
Incurred Increases	29,800,790

DECREASES

Employer Shortfall Gain	23,436,489
Investment Gain	3,771,184
Net Amortization Payment	<u>10,481,070</u>
Incurred Decreases	37,688,743

Unfunded Liability 6/30/2007 \$ 158,646,134

Board of Trustees
September 1, 2007

Legislative Changes

Act 367 permits the purchase of retirement credit for out-of-state law enforcement service. The legislation requires the member to pay the actuarial cost to acquire the credit.

Act 370 grants to retirees and survivors whose benefits are less than \$1,200 per month, a COLA which is the lesser of \$300 per month or the difference between \$1,200 and the current monthly benefit.

Act 333 repeals the Target Ratio Test as the benchmark for granting COLA's and creates an Experience Account. The account will be allocated half of the excess (deficit) interest earnings. A COLA may be granted when the accumulated balance is sufficient to fund the COLA.

Comments and Disclosures

Last year the Texaco Settlement Fund Account terminated through the liquidation of the Initial Unfunded Actuarial Accrued Liability. This resulted in the accumulation of a significant employer credit during the 2006-2007 fiscal year. Consequently the employer contribution decreased dramatically from 70.3% to 26.2%. It is anticipated that the rate will gradually increase as a result of the increasing amortization schedule and the dissipation of the employer credit over the next five years.

Exhibit 3, "Pension Accounting and Financial Disclosure", contains disclosure of the accrued liabilities under the Entry Age Normal Actuarial Cost Method required by the Governmental Accounting Standards Board Statement No. 25.

The format of this report was designed with the intent of highlighting the pertinent results of the valuation's funding requirements. Should you have any questions or comments, please do not hesitate to contact me.

Sincerely,

Charles G. Hall, FCA,MAAA,ASA
Actuary

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EXHIBIT 1
DEVELOPMENT
OF
COSTS, LIABILITIES AND CONTRIBUTIONS

Normal Costs and Accrued Liabilities are calculated in accordance with the Individual entry Age Normal Actuarial Cost Method, and the Actuarial Assumptions outlined in Exhibit 6 based on the Provisions of the Plan as summarized in Exhibit 5.

	<u>June 30, 2007</u>		<u>June 30, 2006</u>	
	<u>Dollar</u>	<u>% of</u>	<u>Dollar</u>	<u>% of</u>
	<u>Amount</u>	<u>Salary</u>	<u>Amount</u>	<u>Salary</u>
I. Normal Costs				
(to fund annual pension accruals)				
Active Members with Complete Data				
a) Retirement Benefits	\$ 10,201,825	20.50%	\$ 10,140,517	20.59%
b) Disability Benefits	371,610	.75%	366,249	.74%
c) Survivor Benefits	452,700	.91%	454,031	.92%
d) Voluntary Termination	568,321	1.14%	543,922	1.10%
e) Expenses	<u>430,000</u>	<u>.86%</u>	<u>415,000</u>	<u>.84%</u>
TOTAL	12,024,456	24.16%	11,919,719	24.20%
II. Actuarial Accrued Liability				
a) Active Members				
1) Retirement Benefits	\$ 174,410,982		\$ 168,744,986	
2) Disability Benefits	2,002,874		1,923,369	
3) Survivor Benefits	3,219,090		3,063,354	
4) Voluntary Termination	<u>3,847,121</u>		<u>3,596,038</u>	
	183,480,067		177,327,747	
b) Retired and Inactive Members				
1) Regular Retirees	279,619,448		246,807,703	
2) Disabled Retirees	14,755,936		14,508,367	
3) Survivors	41,929,853		38,862,334	
4) Vested Deferred & Transfers	2,533,082		2,355,935	
5) DROP Account Balance	30,858,744		25,039,087	
6) DROP Annuity Reserve	<u>34,349,465</u>		<u>41,337,276</u>	
	404,046,528		368,910,702	
c) TOTAL	587,526,595		546,238,449	

Exhibit 1 (Continued)**Costs, Liabilities & Contributions**

	<u>June 30, 2007</u>	<u>--Prior Year-- June 30, 2006</u>
II. Actuarial Accrued Liability	\$ 587,526,595	\$ 546,238,449
III. Actuarial Assets	428,880,461	379,704,362
IV. Unfunded Actuarial Accrued Liabilities	158,646,134	166,534,087
a) Change over prior year	-7,887,953	-71,671,762
b) Funded Percentage	73.00%	69.51%
V. Employer Contributions to Fund		
Current Plan Year ¹		
a) Employer Portion of Normal Cost	7,708,717	7,659,660
b) Amortization Payments	11,055,717	9,999,634
c) Prior Contribution Variance	-4,235,946	109,208
GROSS Required Contribution	14,528,488	17,768,502
d) Insurance Premium Tax Fund (IPTF) Offset		
ACT 1160 Normal Cost	828,857	820,477
ACT 1160 Amortization payment	1,513,839	1,448,650
TOTAL ITPF Allocation ²	1,500,000	1,500,000
TOTAL Required Contribution	13,028,488	16,268,502
	25.9%	32.6%
PERSAC approved Rate	26.2%	70.3%
VI. Projected Employer Contributions		
To Fund Next Plan Year ¹		
a) Employer Portion of Normal Cost	7,897,220	7,847,898
b) Amortization Payments	11,553,225	10,210,488
c) Prior Contribution Variance	-3,864,583	-3,160,960
d) IPTF allocation ²	-1,500,000	-1,500,000
TOTAL Projected Contribution	14,085,862	13,397,426
	27.3%	26.2%
VII. Current Payroll	49,763,351	49,255,802
Projected Payroll - Mid Year	50,386,450	49,877,046
Projected Payroll - Next Year	51,618,561	51,102,791

¹Dollar Amounts reflect estimated payments due mid-year on January 1st per Act 81.

²ITPF allocation is the lesser of the normal cost plus amortization or \$1,500,000.

EXHIBIT 2

FINANCIAL SUMMARY
STATEMENT OF REVENUES AND EXPENSES
FOR FISCAL YEAR ENDING

	<u>June 30, 2007</u>	-----Prior Years----- <u>June 30, 2006</u>	<u>June 30, 2005</u>
<u>OPERATING REVENUES:</u>			
1. Contribution Income			
Member	\$ 4,020,197	\$ 3,997,156	\$ 4,182,096
MV Fees	2,990,066	3,370,728	2,772,776
Appropriations	35,940,246	31,281,308	24,114,578
Insurance Premium Tax	1,500,000	1,500,000	1,500,000
2. Other Income			
Transfers/Purchases	1,001,566	1,222,735	1,734,005
Miscellaneous	126,861	185,926	56,290
TOTAL CONTRIBUTIONS	45,578,936	41,557,853	34,359,745
3. Investment Income			
Investments	64,971,991	26,757,550	28,737,511
Less, Manager fees	-1,236,193	-1,196,471	-940,735
TOTAL INVESTMENT INCOME	63,735,798	25,561,079	27,796,776
4. Total Revenues	109,314,734	67,118,932	62,156,521
<u>OPERATING EXPENSES:</u>			
1. General Administration	429,042	407,952	403,779
Other Expenses	3,739	7,392	12,957
2. Benefits Paid			
a) Pension Benefits	30,430,391	27,039,512	25,216,731
b) Return of Contributions	162,483	218,572	309,370
c) Transfers Out	0	0	0
TOTAL BENEFITS PAID	30,592,874	27,258,084	25,526,101
3. Total Expenses	31,025,655	27,673,428	25,942,837
<u>NET INCREASE:</u>	78,289,079	39,445,504	36,213,684

EXHIBIT 2 (Continued)
Financial Summary

FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING

	<u>June 30, 2007</u>	<u>-----Prior Years-----</u>	
		<u>June 30, 2006</u>	<u>June 30, 2005</u>
ASSETS			
1. Cash Equivalents	\$ 15,258	\$ 165,248	\$ 338,219
2. Bonds			
United States Obligations	16,441,249	16,329,560	31,707,443
Corporate Issues	40,019,922	70,333,042	61,742,059
Bonds - General	32,316,280	28,440,764	49,590,065
Canadian Foreign Issues	0	0	1,103,017
3. Equities			
Property and Equipment	7,601	7,885	15,277
Common Stock - Domestic	137,713,506	120,984,094	105,673,528
- Foreign	57,757,494	24,619,992	23,477,539
- Index	153,002,886	118,395,428	65,973,625
Real Estate	20,540,706		
4. Receivables (-) Payables	<u>456,529</u>	<u>706,339</u>	<u>916,076</u>
TOTAL ASSETS - Market Value	458,271,431	379,982,352	340,536,848
- Valued at Cost	376,368,623	341,956,983	291,883,892

INVESTMENT YIELD:

Actuarial Value	8.63%	13.16%	8.60%
DROP Account Yield ¹	8.13%	12.66%	8.10%
Market Value	16.15%	7.36%	9.01%

EXPERIENCE ACCOUNT FUND:

		:	<u>TEXACO SETTLEMENT FUND</u>	
Prior Year End Balance	0	:	44,261,264	40,756,843
+ Experience Account Allocation	0	:	n/a	n/a
- Current Year Distribution	0	:	50,084,124	0
+ Accumulated Interest	<u>0</u>	:	<u>5,822,860</u>	<u>3,504,421</u>
Fund Balance - Year End	0	:	0	44,261,264

ACTUARIAL VALUE OF ASSETS:

Total Assets, less	458,271,431	379,982,352	340,536,848
Change in Unrealized (G/L)			
Plan Year - 2 (wt. 1/4)	7,186,740	18,621,238	13,416,641
Plan Year - 1 (wt. 2/4)	-10,627,587	7,186,740	18,621,238
Plan Year - (wt. 3/4)	<u>43,877,439</u>	<u>-10,627,587</u>	<u>7,186,74</u>
Gross Actuarial Value of Assets	428,880,461	379,704,362	322,482,014
Less, Side Fund Accounts	<u>0</u>	<u>0</u>	<u>-44,261,264</u>
Valuation Assets	428,880,461	379,704,362	278,220,750

¹ Effective 7/1/2003 new DROP accounts are credited with Money Market rates.

EXHIBIT 3

**PENSION ACCOUNTING
AND
FINANCIAL DISCLOSURE**

The Governmental Accounting Standards Board (GASB) was established as an arm of the Financial Accounting Foundation in April 1984 by amendment to the Foundation's certificate of incorporation and by-laws. GASB's objective is to promulgate standards of financial accounting and reporting relative to the activities and transactions of state and local governmental entities. The following disclosures and statistical tables are in accordance with the GASB's Statement No. 25.

SCHEDULE OF FUNDING PROGRESS

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
1998	188,904	313,146	124,242	60.3	29,642	419.1
1999	216,954	340,299	123,345	63.8	35,312	349.3
2000	244,015	337,701	93,686	72.3	33,603	278.8
2001	261,576	355,629	94,053	73.6	32,157	292.5
2002	271,694	386,698	115,004	70.3	31,695	362.8
2003	271,062	447,694	176,631	60.6	44,148	400.1
2004	288,865	477,085	188,220	60.6	47,923	392.8
2005	322,482	516,427	193,945	62.4	49,290	393.5
2006	379,704	546,238	166,534	69.5	49,256	338.1
2007	428,880	587,527	158,646	73.0	49,763	318.8

The total actuarial accrued liability determined using the Individual Entry Age Normal cost method increased by \$41,288,146 from June 30, 2006 to June 30, 2007. A COLA was granted during the plan year to retirees, disability retirees and survivors increasing the liability \$8,871,238. From all sources, there was a net experience loss of \$4,668,315.

Fiscal year gains/losses are summarized on page 3 under "Change in Unfunded Liability".

¹ UAAL differs from the UFAL for funding purposes. UFAL for funding purposes excludes the Texaco Settlement Fund Assets, which appear on page 9.

EXHIBIT 3 (Continued)**Pension Accounting & Financial Disclosure****SUPPLEMENTARY INFORMATION****SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<u>Fiscal Year</u>	<u>Actuarial Required Contribution</u> ¹	<u>Percent Contributed</u>	<u>Annual Pension Cost (APC)</u> ¹	<u>Actual Contribution</u> ¹	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u> ¹
1998	19,131,381	118.6	22,702,873	22,684,240	99.9	-10,486,644
1999	19,233,721	119.5	22,866,185	22,992,494	100.5	-10,612,953
2000	20,651,122	114.6	24,171,405	23,661,417	97.9	-10,102,965
2001	20,152,607	120.0	23,198,292	24,174,644	104.2	-11,079,317
2002	21,153,440	124.6	24,483,266	26,362,607	107.7	-12,958,661
2003	24,411,521	107.2	28,272,466	26,126,060	92.4	-10,812,252
2004	30,288,239	87.0	33,855,791	26,347,773	77.8	-3,304,234
2005	33,658,907	87.4	35,886,584	29,432,635	82.0	3,149,715
2006	36,698,310	102.1	37,621,412	37,483,229	99.6	3,287,896
2007	18,482,551	226.8	18,615,913	41,919,040	225.2	-20,015,231

Analysis of the percentage contributed over a period of years will give a relative indication of the funding progress for the liabilities of the Louisiana State Police Retirement System.

The difference between the Actuarial Required Contribution and the APC is the amortization payment for the Net Pension Obligation (see Exhibit A).

Development of Net Pension Obligation

Actuarial Required Contribution	18,482,551
Interest on Net Pension Obligation (+)	246,593
Amortization of Net Pension obligation (-)	113,231
Annual Pension Cost	18,615,913
Employer Contribution ¹	41,919,040
Increase (decrease) in Net Pension Obligation	-23,303,127
Net Pension Obligation - Beginning of Year	3,287,896
Net Pension Obligation - End of Year	-20,015,231

¹ Actuarial Contributions, the Annual Pension Cost (APC), and the actual employer contribution made have been adjusted with interest at the valuation rate to the end of the fiscal year in accordance with GASB's Statement No. 27, paragraph 21.

EXHIBIT 3 (Continued)

Pension Accounting & Financial Disclosure

STATISTICAL DATA

COMPARATIVE SUMMARY OF REVENUES BY SOURCE
AND EXPENSES BY TYPE

Revenues by Source

<u>Fiscal</u> <u>Year End</u>	<u>Members</u> <u>Contribution</u>	<u>Employer</u> <u>Contribution</u>	<u>Investment</u> <u>Income</u>	<u>Total</u>
1998	2,367,755	21,878,624	15,076,029	39,322,408
1999	2,557,227	22,175,930	12,639,618 ³	37,372,775
2000	2,940,289	22,821,097	10,660,541	36,421,927
2001	2,748,089	23,316,097	-1,388,040	24,676,146
2002	2,880,248	25,426,356	-7,113,040	21,193,564
2003	4,015,207	25,198,210	12,889,340	42,102,757
2004	4,090,079	26,252,523	31,363,198	61,705,800
2005	4,182,096	30,177,649	27,796,776	62,156,521
2006	3,997,156	37,560,697	25,561,079	67,118,932
2007	4,020,197	41,558,739	63,735,798	109,314,734

Expenses by Type

<u>Fiscal</u> <u>Year End</u>	<u>Benefits</u>	<u>Refunds</u>	<u>Administrative</u> <u>Expenses</u> ²	<u>Total</u>
1997	16,478,217	84,997	225,535	16,788,749
1998	16,982,409	74,852	325,858	17,383,119
1999	17,551,193	50,912	370,652	17,972,757
2000	19,125,651	223,607	372,549	19,721,807
2001	20,000,815	208,673	396,623	20,606,111
2002	22,197,351	203,420	419,195	22,819,966
2003	22,484,503	193,891	444,651	23,123,045
2004	23,889,741	298,653	429,177	24,617,571
2005	25,216,731	309,370	416,736	25,942,837
2006	27,039,512	218,572	415,344	27,673,428
2007	30,592,874	162,483	432,781	31,025,655

¹ Includes Texaco Settlement of \$1,156,633 on 6/30/96

² Includes Texaco Settlement of \$19,356,039 on 6/30/97

³ Prior to 6/30/99, reported realized investment income. A change in Asset Valuation Method now reports realized and unrealized investment income at Market (see Exhibit 6, page 27.)

EXHIBIT 4

CENSUS DATA

GENERAL COMMENTS

The data contained in this valuation is summarized on the following pages with exceptions noted below. The profile depicted in the cellular graphs represents "error-free data", which serves as the basis for determining costs and liabilities. Active members are allocated to cells based upon attained age and years of service. Retirees and Survivors are allocated to cells based upon attained age and years elapsed since retirement or commencement of benefits.

The validity of the results of any actuarial valuation is dependent upon the accuracy of the database. Prior to processing, suspicious data and data containing errors were purged from the data base and processed separately based on the following error types:

- missing sex code
- missing or invalid date of birth
- missing or invalid date of employment
- missing or invalid salary
- invalid retirement dates

This year there were no records purged from the database containing errors or categorized as suspicious data, which is consistent with recent years' reporting. Suspicious data are not necessarily errors, but is data which falls outside the parameters of the editing process for further checking.

Salary data contained in the profiles and valuation report may exceed the sums reported by internal audit due to salary annualization. Retiree data reflects the benefit amount in pay status on the 1st day of the next fiscal year. In the valuation process, membership data with fractional service annualizes the salary in the first year of employment.

The following is a summary by participant status of the data submitted for valuation:

	----- June 30 -----		
	---2007---	---2006---	---2005---
	<u>Census</u>	<u>Census</u>	<u>Census</u>
Active Members	1,003	996	1,003
Regular Retirees	780	755	742
Disability Retirees	54	55	58
Survivors	312	324	316
Vested & Reciprocals	23	22	21
DROP Participants	<u>32</u>	<u>36</u>	<u>25</u>
TOTAL	2,204	2,188	2,165

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

LOUISIANA STATE POLICE
ACTIVE MEMBERS

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2007

Age	YEARS EMPLOYED									Total
	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	
[0-19)	0	1	0	0	0	0	0	0	0	1
	0	37182	0	0	0	0	0	0	0	37182
[20-24)	10	5	0	0	0	0	0	0	0	15
	286667	174826	0	0	0	0	0	0	0	461493
[25-29)	17	58	23	0	0	0	0	0	0	98
	487333	2150542	921799	0	0	0	0	0	0	3559674
[30-34)	15	45	105	42	0	0	0	0	0	207
	430000	1688710	4365428	1975164	0	0	0	0	0	8459302
[35-39)	6	30	64	181	33	0	0	0	0	314
	185188	1141611	2802184	9365073	1981061	0	0	0	0	15475117
[40-44)	1	9	16	81	69	13	0	0	0	189
	28667	332328	705438	4335749	4298962	831120	0	0	0	10532264
[45-49)	1	2	7	19	37	28	7	0	0	101
	52940	71618	307157	1052670	2311470	1964330	459350	0	0	6219535
[50-54)	0	0	0	6	9	16	12	0	0	43
	0	0	0	304302	499702	1013114	886956	0	0	2704074
[55-59)	0	0	0	0	0	2	0	0	0	2
	0	0	0	0	0	130099	0	0	0	130099
[60-64)	0	0	1	0	0	1	0	0	0	2
	0	0	42369	0	0	63441	0	0	0	105810
[65-69)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[70-74)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
TOTALS	50	150	216	329	148	60	19	0	0	972
salary	1470795	5596817	9144375	17032958	9091195	4002104	1346306	0	0	47684550

AVERAGES --- Attained Age 37.85
Service Years 10.80
Active Salary 49,058

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

LOUISIANA STATE POLICE
ACTIVE AFTER DROP

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY
DROP BENEFITS

VALUATION DATE 6/30/2007

Age	YEARS EMPLOYED									Total
	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	
[0-34)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
[35-39)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
[40-44)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
[45-49)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
[50-54)	4	2	3	0	0	3	0	0	0	12
:	148654	137967	217299	0	0	212649	0	0	0	716569
:	212448	90756	132816	0	0	78444	0	0	0	514464
[55-59)	0	2	5	3	1	6	1	0	0	18
:	0	154141	353729	199711	71316	412617	71316	0	0	1262830
:	0	143508	171120	86292	26304	145872	27900	0	0	600996
[60-64)	0	0	0	0	0	1	0	0	0	1
:	0	0	0	0	0	99402	0	0	0	99402
:	0	0	0	0	0	40944	0	0	0	40944
[65-69)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
[70-74)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
TOTALS	4	4	8	3	1	10	1	0	0	31
count	4	4	8	3	1	10	1	0	0	31
salary	148654	292108	571028	199711	71316	724668	71316	0	0	2078801
benefit	212448	234264	303936	86292	26304	265260	27900	0	0	1156404

AVERAGES --- Attained Age 55.57
 Post Drop Years 3.75
 Active Salary 67,058
 Annual Benefit 37,303

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

LOUISIANA STATE POLICE
REGULAR RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2007

Age	YEARS RETIRED									Total	
	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)		
[0-39)	0	0	0	0	0	0	0	0	0	0	0
[40-44)	0	0	0	0	0	0	0	0	0	0	0
[45-49)	5	3	3	0	0	2	0	0	0	0	13
[50-54)	11	23	16	4	8	7	16	4	6	95	95
[55-59)	2	1	3	0	3	56	84	49	11	209	209
[60-64)	2	0	0	0	0	14	55	53	54	178	178
[65-69)	0	0	0	0	0	1	19	29	59	108	108
[70-74)	0	0	0	0	0	0	3	8	72	83	83
[75-79)	0	0	0	0	0	0	0	2	55	57	57
[80-84)	0	0	0	0	1	0	0	0	27	28	28
[85-89)	0	0	0	0	0	0	0	1	5	6	6
[90-99)	0	0	0	0	0	0	0	0	2	2	2
TOTALS	20	27	22	4	12	80	177	146	291	779	779
benefit	1092360	1634976	1312452	149448	637644	3969084	6155880	3215940	5460648	23628432	23628432

AVERAGES --- Attained Age 63.59
Years Retired 17.12
Annual Benefit 30,332

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

LOUISIANA STATE POLICE
DISABILITY RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2007

Age	YEARS RETIRED									Total
	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	
[0-39)	0	0	0	0	0	1	0	0	0	1
:	0	0	0	0	0	36132	0	0	0	36132
[40-44)	0	0	0	1	0	1	1	0	0	3
:	0	0	0	25656	0	18576	36168	0	0	80400
[45-49)	0	0	1	0	0	1	2	1	0	5
:	0	0	37380	0	0	29676	37956	19500	0	124512
[50-54)	0	0	0	0	0	0	1	3	5	9
:	0	0	0	0	0	0	36264	54048	95256	185568
[55-59)	0	0	0	0	0	0	3	4	6	13
:	0	0	0	0	0	0	61980	83412	133488	278880
[60-64)	0	0	0	0	0	0	1	3	11	15
:	0	0	0	0	0	0	24708	65268	248820	338796
[65-69)	0	0	0	0	0	0	0	0	5	5
:	0	0	0	0	0	0	0	0	121140	121140
[70-74)	0	0	0	0	0	0	0	0	2	2
:	0	0	0	0	0	0	0	0	52608	52608
[75-79)	0	0	0	0	0	0	0	0	1	1
:	0	0	0	0	0	0	0	0	18048	18048
[80-84)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
[85-89)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
[90-99)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
TOTALS	0	0	1	1	0	3	8	11	30	54
benefit	0	0	37380	25656	0	84384	197076	222228	669360	1236084

AVERAGES --- Attained Age 58.10
Years Retired 19.85
Annual Benefit 22,890

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

LOUISIANA STATE POLICE
SURVIVOR BENEFITS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2007

Age	YEARS RETIRED									Total
	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	
[0-39)	0	0	0	1	0	1	1	3	0	6
	0	0	0	16944	0	7092	9708	22680	0	56424
[40-44)	0	0	0	0	0	1	2	0	0	3
	0	0	0	0	0	8964	34068	0	0	43032
[45-49)	2	0	0	0	0	2	0	2	2	8
	25848	0	0	0	0	36240	0	15972	42840	120900
[50-54)	1	0	0	0	0	1	3	2	7	14
	27600	0	0	0	0	12612	50388	7200	78912	176712
[55-59)	1	0	0	1	0	3	12	6	10	33
	13284	0	0	18420	0	41268	237024	105312	133812	549120
[60-64)	4	0	0	0	0	1	3	7	26	41
	80700	0	0	0	0	28764	86136	108192	407556	711348
[65-69)	0	0	0	0	0	0	2	6	32	40
	0	0	0	0	0	0	47388	145032	570120	762540
[70-74)	0	0	0	0	0	0	0	2	56	58
	0	0	0	0	0	0	0	38244	1008372	1046616
[75-79)	0	0	0	0	0	0	0	1	46	47
	0	0	0	0	0	0	0	15240	794124	809364
[80-84)	0	0	0	0	0	0	0	0	32	32
	0	0	0	0	0	0	0	0	508068	508068
[85-89)	0	0	0	0	0	0	0	0	17	17
	0	0	0	0	0	0	0	0	284532	284532
[90-99)	0	0	0	0	0	0	0	0	12	12
	0	0	0	0	0	0	0	0	186324	186324
TOTALS	8	0	0	2	0	9	23	29	240	311
benefit	147432	0	0	35364	0	134940	464712	457872	4014660	5254980

AVERAGES --- Attained Age 69.53
Years Retired 27.33
Annual Benefit 16,897

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

LOUISIANA STATE POLICE
DROP PARTICIPANTS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2007

Age	YEARS PARTICIPATED									Total
	(0-1)	[1-2)	[2-3)	[3-4)	[4-5)	[5-10)	[10-15)	[15-20)	[20-)	
[0-39)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[40-44)	1	0	0	0	0	0	0	0	0	1
	67572	0	0	0	0	0	0	0	0	67572
[45-49)	2	5	0	0	0	0	0	0	0	7
	118968	316488	0	0	0	0	0	0	0	435456
[50-54)	6	11	7	0	0	0	0	0	0	24
	316068	666156	415944	0	0	0	0	0	0	1398168
[55-59)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[60-64)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[65-69)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[70-74)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[75-79)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[80-84)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[85-89)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
[90-99)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
TOTALS	9	16	7	0	0	0	0	0	0	32
benefit	502608	982644	415944	0	0	0	0	0	0	1901196

AVERAGES --- Attained Age 50.55
Years Retired 1.35
Annual Benefit 59,412

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

LOUISIANA STATE POLICE
TERM-VESTED/RECIPROCAL

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2007

Age	YEARS EMPLOYED									Total
	(0-1)	[1-5)	[5-10)	[10-15)	[15-20)	[20-25)	[25-30)	[30-35)	[35-)	
[0-19)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	:	:	:	:	:	:	:	:	:	:
[20-24)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	:	:	:	:	:	:	:	:	:	:
[25-29)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	:	:	:	:	:	:	:	:	:	:
[30-34)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	:	:	:	:	:	:	:	:	:	:
[35-39)	0	0	2	4	4	0	0	0	0	10
:	0	0	8244	73620	55236	0	0	0	0	137100
:	:	:	:	:	:	:	:	:	:	:
[40-44)	0	0	0	4	1	0	0	0	0	5
:	0	0	0	56208	40116	0	0	0	0	96324
:	:	:	:	:	:	:	:	:	:	:
[45-49)	0	0	0	4	3	1	0	0	0	8
:	0	0	0	34836	78996	20508	0	0	0	134340
:	:	:	:	:	:	:	:	:	:	:
[50-54)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	:	:	:	:	:	:	:	:	:	:
[55-59)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	:	:	:	:	:	:	:	:	:	:
[60-64)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	:	:	:	:	:	:	:	:	:	:
[65-69)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	:	:	:	:	:	:	:	:	:	:
[70-74)	0	0	0	0	0	0	0	0	0	0
:	0	0	0	0	0	0	0	0	0	0
:	:	:	:	:	:	:	:	:	:	:
TOTALS	:	:	:	:	:	:	:	:	:	:
count	0	0	2	12	8	1	0	0	0	23
benefit	0	0	8244	164664	174348	20508	0	0	0	367764

AVERAGES --- Attained Age 42.43
Service Years 13.97
Annual Benefit 15,990

EXHIBIT 5

SUMMARY OF THE STATE POLICE
RETIREMENT SYSTEM'S PLAN PROVISIONS

EFFECTIVE DATE:

Legislative Act No. 293 of 1938

EMPLOYEE:

Sworn, commissioned law enforcement officers of the Division of State Police of the Department of Public Safety who have completed the State Police Training Academy Course of Instruction; those members employed on the Effective Date of the Fund, those subsequently employed who did not withdraw employee contributions; the secretary and deputy secretary of the Department of Public Safety, provided they are sworn, commissioned State Police officers as defined above.

EMPLOYER:

Division of State Police of the Department of Public Safety of the State of Louisiana.

CREDITABLE SERVICE:

1. Service as defined as a member of the retirement system.
2. Police duty qualifying as having contributed to the war effort during World War II.
3. Credit for military service, not to exceed four years as follows:
 - a) Members employed prior to September 8, 1977 receive a maximum of three years free military service credit. Members may purchase eligible service credit in excess of three years.
 - b) Members employed on or after September 8, 1977 but prior to September 8, 1978 were eligible to purchase military service credit after one year of employment. Military service credit in a) and b) applied to retirement eligibility.
 - c) Members employed on or after September 8, 1978 were eligible to purchase military service credit; however, such service did not apply to retirement eligibility.
 - d) Upon retirement, all unused accumulated sick and annual leave.

EMPLOYEE CONTRIBUTIONS:

7% of earnable compensation; 8% effective July 1, 1989.

EMPLOYER CONTRIBUTIONS:

State contributes each fiscal year consists of various fees and taxes collected by the Motor Vehicle Office within the Department of Public Safety.

Effective June 29, 2001 - 1.5M from Insurance Premium Tax (see RS 22:1419(A)(3)).

EXHIBIT 5 (Continued)
Plan Provisions

EARNABLE COMPENSATION:

Full salary earned by an employee in qualified service.

AVERAGE FINAL COMPENSATION:

1. For members employed prior to September 8, 1978

Average annual earned compensation for the highest 12 successive or joined months prior to Retirement or Date of Death.

2. For members employed on or after September 8, 1978

Average annual earned compensation for the highest 36 successive or joined months prior to Retirement or Date of Death.

NORMAL RETIREMENT:

ELIGIBILITY:

1. Attained Age 50 with 10 years of creditable service
2. Employed prior to September 8, 1978, 20 years of service regardless of age
3. Employed after September 7, 1978, 25 years of service regardless of age.

Note: Compulsory retirement at age 65
(except for the Secretary and Deputy Secretary of the Department of Public Safety).

BENEFIT:

3 1/3% of average final compensation for each year of service.

Note: Maximum benefit accrual cannot exceed 100% of Average Final Compensation.

ANNUITY FORM:

An Annuity payable for the lifetime of the member.

An Initial Benefit Option is available to retirees who have not participated in DROP. Election pays up to 36 months of regular benefits in lump-sum, with monthly annuity actuarially reduced for life.

DISABILITY BENEFITS:

ELIGIBILITY:

1. Nonservice-related total disability - 5 years of service
2. Service-related total disability - condition of employment

BENEFIT:

Disabled members eligible will receive a benefit equal to fifty percent of average salary, plus one and one-half percent of average salary for each year of service in excess of ten years.

EXHIBIT 5 (Continued)
Plan Provisions

Greater of 100% of Average Final Compensation or 36,000 for loss of sight or hearing, permanent damage to brain or spinal cord, paralysis, loss of organ, or loses the use of a limb

DEATH BENEFITS:

ELIGIBILITY:

1. Death of an active member in the line of duty
2. Death of an active member not in the line of duty
3. Death of a retiree or terminated vested member

BENEFIT:

1. Surviving Spouse receives 75% of the Average Monthly Salary
 - A. If no surviving spouse, eligible children under the age of 18 receive the following benefit to be shared equally:

<u>Number of Children</u>	<u>Percentage Average Monthly Salary</u>
1	30%
2	40%
3	50%
4	60%

Benefit ceases at age 18 unless child is handicapped or mentally handicapped. Students may have benefits extended to age 23.

- B. If no surviving spouse and no eligible children, dependent parent(s) will receive 25% of the Average Monthly Salary.

2. Surviving Spouse receives benefits according to the following schedule:

<u>Years of Service at Death</u>	<u>Percentage Average Monthly Salary</u>
5 or less	25%
5 - 10	30%
10 - 15	40%
15 - 20	50%
20 or more	Member's Accrued Benefit

- A. If no surviving spouse, eligible children receive benefits in accordance with section 1(A) above.
 - B. If no surviving spouse and no surviving eligible children, dependent parent(s) Receive benefits in accordance with section 1(B) above.

3. Surviving spouse, who was married and living with the member at least two years prior to the date of death, eligible surviving children or the dependent parent(s) shall receive the same monthly pension which was paid to the retired member in the following order of priority: Surviving Spouse, Eligible Children, Dependent Parent(s)

EXHIBIT 5 (Continued)
Plan Provisions

Note: Under all survivor benefits, the spouse forfeits benefits upon remarriage if remarriage occurs prior to age 55. Subsequent monthly benefit payments will be made to eligible surviving children or dependent parent(s).

VESTING:

All members are entitled to a refund of employee contributions in excess of benefits received upon termination or death of the member or survivor(s).

Any member employed on or after September 8, 1978 who is vested for retirement benefits by virtue of 20 years of service but less than attained age 50, who terminates employment will be vested for disability benefits during the deferred period. This provision was deleted in accordance with Act 679 of the 1991 Legislative Session.

COST OF LIVING INCREASES:

HB 658 of 2007 establishes an Experience Account, which is credited with 50% of the excess investment experience gain and debited with 50% of the net investment experience loss. Balances in the experience account accrue interest at the average actuarial yield for the System portfolio. If the balance of the Experience Account is sufficient to grant retirees a COLA, the Board may (with concurrence from the Legislature) grant such COLA not to exceed the lesser of the CPI-U or 3%. Benefits are restricted to those retirees who have attained the age of 60 and have been retired for at least one year.

DEFERRED RETIREMENT OPTION PLAN:

Instead of terminating employees and accepting a service retirement allowance, any member who has met the following eligibility requirements may elect to participate in the Deferred Retirement Option Plan (DROP) and defer receipt of benefits.

ELIGIBILITY:

Any Active member who is eligible to receive a service retirement allowance may begin participation on the eligibility date for a period not to exceed the 3rd anniversary of retirement eligibility.

BENEFIT:

Upon termination of employment at the end of or prior to the end of the specified period of participation, a participant will receive, at his option:

- (1) lump sum payment (equal to the payments to the account);
- (2) a true annuity based upon his account; or
- (3) any other method of payment if approved by the board of trustees. Monthly benefits being paid into the fund during participation will begin being paid to the retiree.

EXHIBIT 5 (Continued)
Plan Provisions

If a participant dies during the period of participation, a lump sum payment equal to his account balance shall be paid to the beneficiary, or if none, to the estate; in addition, normal survivor benefits payable to survivors of retirees shall be payable.

If employment is not terminated at the end of the specified period of participation, then:

- (1) payment into account shall cease;
- (2) payment from account only upon termination of employment; and
- (3) the participant shall resume active contributing membership.

Then, upon termination of employment, the benefit payments indicated above shall be paid. The participant shall receive an additional retirement benefit based on additional service rendered since termination of participation in the fund, usually the normal method of computation of benefit subject to the following:

- (1) Members employed prior to September 8, 1978
 - (a) If additional service was less than 12 months, average compensation figure used to calculate original benefit.
 - (b) If additional service was 12 or more months, the average compensation figure used to calculate the additional benefit shall be based on compensation during the period of additional service.
- (2) Members employed on or after September 8, 1978
 - (a) If additional service was less than 36 months, average compensation figure used to calculate additional benefit shall be that used to calculate original benefit.
 - (b) If additional service was 36 or more months, the average compensation figure used to calculate the additional benefit shall be based on compensation during the period of additional service.

NOTE: DROP Accounts shall earn interest following termination of DROP at a rate .5% below the actuarial rate of the System's investment portfolio.

Effective 7/1/2003 new DROP accounts are credited with Money Market rates or self directed accounts approved by the Board of Trustees.

EXHIBIT 6

ACTUARIAL COST METHODS AND ASSUMPTIONS

COST METHOD:

The individual "Entry Age Normal" cost method was used to calculate the funding requirements of the retirement system. Under this cost method, the actuarial present value of projected benefits of each individual included in the valuation is allocated on a level basis as percentage of payroll for each participant between entry age and assumed retirement age(s). That portion of the actuarial present value attributable to current year benefit accruals is called the Normal Cost. The actuarial present value of future benefits in excess of the actuarial present value of future normal costs is called the actuarial accrued liability.

ASSET VALUATION:

For plan years ending prior to June 30, 1998, equities were valued on a four year weighted average. The computation of the actuarial value of assets was the sum of the bonds at amortized cost, plus a weighted average of unrealized losses or (gains) in the market value of equities.

Effective June 30, 1998, the Board of Trustees approved a change in the Asset Valuation Method. The Actuarial Value of Assets is based on the market value of assets adjusted for a four year weighted average of the unrealized gain or loss in the value of all assets.

This value is determined in accordance with Reg. 1.412(c)(2)-1-(6) & (7) of the Internal Revenue Service Code and is subject to the Corridor Limits defined therein.

As a result of the change in the Asset Valuation Method, the reporting of realized income has been changed to realized plus unrealized income for Valuations beginning on June 30, 1999 and thereafter.

ACCOUNTING DISCLOSURE:

The Governmental Accounting Standards Board Statement No. 25 requires disclosure of certain Actuarial Liabilities for Public Employee Retirement Systems. The disclosures illustrated in Exhibit 3 were developed using the Entry Age Normal Cost Method. The statement of assets provided by the independent auditors was a copy of the final draft prior to publication. Should the statement of assets received differs from the final audit report, a revised actuarial statement will be issued, but only to the extent that any difference in reporting affects the employer's contribution rate or the yield to the Actuarial Value of Assets.

ACTUARIAL ASSUMPTIONS:

The Retirement System is required to conduct an experience study every five years, but the scope of such a study is not necessarily limited to a five year period. The current five-year observation period (1997-2001) was chosen to coincide with the most recent period of data reporting following the restructuring of the Deferred Retirement Option Program.

EXHIBIT 6 (Continued)
Cost Methods & Assumptions

MORTALITY ASSUMPTIONS:

Pre-retirement deaths and post-retirement life expectancies were projected in accordance with the experience of the 1983 Sex Distinct Group Annuity Mortality Table for the current valuation.

DISABILITY ASSUMPTION:

Disability rates are based on age and service eligibility requirements for benefits. Disability rates are based on the most recent Experience Study. For mortality after disability, rates were based on the Eleventh Actuarial Valuation of the Railroad Retirement System for Occupational Disabilities. As an approximation of the Railroad Retirement tables, an age set-up of the 1971 GAM table was used equal to 1/2 the rate at disability and the rate at age 82.

RETIREMENT/DROP ASSUMPTION:

Retirement rates are based on age and service eligibility requirements for normal benefits. Age and service requirements vary by plan. DROP is viewed as an alternative form of benefit accrual since mandatory terminate is not required following participation. Therefore, at eligibility, the probability of DROP accrual is determine in conjunction with regular benefit accrual. Retirement rates and DROP probabilities are based on the most recent Experience Study.

TERMINATION ASSUMPTIONS:

Voluntary termination or withdrawal rates are based upon the most recent Experience Study. During the first five years of employment, the probability of voluntarily terminating is a multiple of the attained age rate in prior reports and a multiple of employment duration in the current valuation as follows:

1st year	1.50x
2nd year	1.00x
3rd year	1.00x
4th year	1.00x
5th year	1.00x

Furthermore, for members terminating with twenty (20) or more years of service it is assumed that 80% will not withdraw their accumulated employee contributions.

SALARY GROWTH:

The rates of annual salary growth are base upon the members years of service and are illustrated in the rate tables at the end of this exhibit.

EXHIBIT 6 (Continued)
Cost Methods & Assumptions

FAMILY STATISTICS:

The composition of the Family was based on Age-Specific Fertility Rates from the 1983 Vital Statistics of the United States. 80% of the membership was assumed to be married with the wife assumed to be three (3) years younger than the husband. Sample rates are as follows:

<u>Age at Death</u>	<u>Number of Minor Chn.</u>	<u>Years for Youngest Child to Attain Majority</u>
25	1.3	17
30	1.8	15
35	2.2	13
40	2.1	10
45	1.7	8
50	1.2	4

REMARRIAGE:

Annuities payable to a spouse, which cease upon death or remarriage, were taken from A Technical Note for the Construction of Widow's Annuities." The Remarriage and Mortality rates used to develop these annuities were based on the graduated rates from Mortality and Remarriage Experience for Widow's Beneficiaries under OASDI."

ASSUMPTION FOR INCOMPLETE DATA:

Records identified as containing suspicious data or errors in data were assumed to possess the same characteristics of "good data" in the same cohort.

INVESTMENT EARNINGS:

An effective annual rate of 7 1/2%, net expenses.

ADMINISTRATIVE EXPENSES:

Expenses are included in Aggregate Normal Cost and are assumed to be \$430,000 per year. Investment Manager fees are not included in Normal Cost but are treated as a direct offset to investment income. The Employer portion of the Normal Cost excludes an allocation for administrative expenses.

COST OF LIVING:

The liability for cost of living raises already granted is included in the retirees reserve. The Board may grant Cost of Living increases provided there is sufficient excess investment income and the Fund has met the Target Ratio criteria.

ACTUARIAL TABLES AND RATES
EFFECTIVE 6/30/2003

Age	- Death Rates -		Disability Rates	Termination Rates	Retirement Rates	DROP Rates	Dur	Salary Scale
	Male	Female						
18	.00035	.00017	.0020	.0300	.0000	.000	1	1.1500
19	.00036	.00018	.0020	.0300	.0000	.000	2	1.0500
20	.00038	.00019	.0020	.0300	.0000	.000	3	1.0500
21	.00039	.00020	.0020	.0300	.0000	.000	4	1.0500
22	.00041	.00021	.0020	.0300	.0000	.000	5	1.0500
23	.00042	.00023	.0020	.0300	.0000	.000	6	1.0500
24	.00044	.00024	.0020	.0300	.0000	.000	7	1.0500
25	.00046	.00025	.0020	.0300	.0000	.000	8	1.0500
26	.00049	.00027	.0020	.0300	.0000	.000	9	1.0500
27	.00051	.00028	.0020	.0300	.0000	.000	10	1.0500
28	.00054	.00030	.0020	.0300	.0000	.000	11	1.0450
29	.00057	.00032	.0020	.0300	.0000	.000	12	1.0450
30	.00061	.00034	.0020	.0300	.0000	.000	13	1.0450
31	.00065	.00036	.0020	.0200	.0000	.000	14	1.0450
32	.00069	.00039	.0020	.0200	.0000	.000	15	1.0450
33	.00073	.00041	.0020	.0200	.0000	.000	16	1.0450
34	.00078	.00044	.0020	.0200	.0000	.000	17	1.0450
35	.00086	.00048	.0020	.0200	.0000	.000	18	1.0450
36	.00091	.00050	.0020	.0200	.0000	.000	19	1.0450
37	.00097	.00054	.0020	.0200	.0000	.000	20	1.0450
38	.00104	.00057	.0020	.0200	.0000	.000	21	1.0450
39	.00113	.00062	.0020	.0200	.0000	.000	22	1.0450
40	.00124	.00066	.0020	.0200	.0000	.000	23	1.0450
41	.00137	.00072	.0020	.0200	.0000	.000	24	1.0450
42	.00153	.00078	.0020	.0200	.0000	.000	25	1.0450
43	.00172	.00084	.0020	.0100	.0000	.000	26	1.0450
44	.00193	.00092	.0020	.0100	.0000	.000	27	1.0450
45	.00218	.00101	.0020	.0100	.1500	.870	28	1.0450
46	.00247	.00112	.0020	.0100	.1500	.870	29	1.0450
47	.00279	.00124	.0020	.0100	.1500	.870	30	1.0450
48	.00314	.00137	.0020	.0100	.2000	.870	31	1.0450
49	.00351	.00151	.0020	.0100	.2000	.870	32	1.0450
50	.00391	.00165	.0020	.0100	.2000	.870	33	1.0450
51	.00432	.00179	.0020	.0100	.2000	.870	34	1.0450
52	.00475	.00195	.0020	.0100	.2700	.870	35	1.0450
53	.00520	.00212	.0020	.0100	.2700	.870	36	1.0450
54	.00566	.00231	.0020	.0100	.2700	.870	37	1.0450
55	.00613	.00254	.0020	.0100	.3500	.870	38	1.0450
56	.00662	.00280	.0020	.0100	.3500	.870	39	1.0450
57	.00714	.00310	.0020	.0100	.4200	.870	40	1.0450
58	.00772	.00344	.0020	.0100	.5000	.870	41	1.0450
59	.00838	.00382	.0020	.0100	.5000	.870	42	1.0450
60	.00916	.00424	.0020	.0100	.5000	.870	43	1.0450
61	.01006	.00470	.0020	.0000	.5000	.870	44	1.0450
62	.01113	.00521	.0020	.0000	.5000	.870	45	1.0450
63	.01239	.00577	.0020	.0000	.9900	.870	46	1.0450
64	.01387	.00639	.0020	.0000	.9900	.870	47	1.0450
65	.01559	.00706	.0000	.0000	.9900	.870	48	1.0450
66	.01758	.00782	.0000	.0000	.9900	.870	49	1.0450
67	.01980	.00868	.0000	.0000	.9900	.870	50	1.0450
68	.02223	.00970	.0000	.0000	.9900	.870	51	1.0450
69	.02482	.01092	.0000	.0000	.9900	.870	52	1.0450
70	.02753	.01238	.0000	.0000	.9900	.870	53	1.0450
71	.03035	.01413	.0000	.0000	.9900	.870	54	1.0450
72	.03337	.01616	.0000	.0000	.9900	.870	55	1.0450
73	.03668	.01848	.0000	.0000	.9900	.870	56	1.0450
74	.04039	.02109	.0000	.0000	.9900	.870	57	1.0450

EXHIBIT A

**AMORTIZATION of UNFUNDED
ACTUARIAL ACCRUED LIABILITY
JUNE 30, 2007**

<u>DATE</u> <u>6/30</u>	<u>DESCRIPTION</u>	<u>AMTZ.</u> <u>METHOD</u>	<u>AMTZ.</u> <u>PERIOD</u>	<u>INITIAL</u> <u>LIABILITY</u>	<u>YEARS</u> <u>REMAING</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>MID-YEAR</u> <u>PAYMENT</u>
1993	Initial Liability	L	16	171,274,213	1	0	0 ¹
1993	Change in Liability	I	36	15,691,553	22	21,077,818	1,315,818
1994	Change in Liability	I	35	-1,038,330	22	-1,356,687	-84,693
1995	Change in Liability	I	34	15,539,310	22	19,764,568	1,233,836
1996	Change in Liability	I	33	-7,736,364	22	-9,586,324	-598,442
1997	Change in Liability	I	32	3,583,701	22	4,329,899	270,301
1998	Change in Liability	I	31	-2,035,369	22	-2,400,029	-149,826
1999	Change in Liability	I	30	10,585,477	22	12,193,695	761,212
2000	Change in Liability	I	29	-18,534,058	22	-20,878,621	-1,303,383
2001	Change in Liability	I	28	12,659,226	22	13,961,546	871,573
2002	Change in Liability	I	27	33,500,498	22	36,215,865	2,260,836
2003	Change in Assumptions	I	30	13,051,664	26	14,169,481	787,038
2003	Change in Liability	I	26	55,628,632	22	59,024,894	3,684,727
2004	Change in Liability	I	25	15,610,591	22	16,280,215	1,016,319
2005	Change in Liability	I	24	13,473,112	22	13,831,834	863,475
2006	Change in Liability	I	23	-11,366,533	22	-11,506,342	-718,303
2007	Change in Liability	I	22	13,539,553	22	<u>13,539,553</u>	<u>845,229</u>
TOTAL OUTSTANDING BALANCE						178,661,365	11,055,717
EMPLOYER'S CREDIT BALANCE							
2003	Contribution Variance	L	5	-1,714,539	1	-394,208	-408,724
2004	Contribution Variance	L	5	3,940,465	2	1,748,780	939,355
2005	Contribution Variance	L	5	4,226,271	3	2,716,470	1,007,487
2006	Contribution Variance	L	5	-784,919	4	-649,784	-187,114
2007	Contribution Variance	L	5	-23,436,489	5	<u>-23,436,489</u>	<u>-5,586,950</u>
TOTAL EMPLOYER CREDIT						-20,015,231	-4,235,946
TOTAL UNFUNDED ACTUARIAL ACCRUED LIABILITY						158,646,134	

¹ Effective 6/30/2006, the accumulated balance of \$50,084,124 in the Texaco Settlement Fund exceeds the outstanding balance of the Initial Unfunded Actuarial Liability. Therefore, the IUAL is liquidated and the corresponding amortization payment eliminated.